LNF & IHCIF Calculations Illustration

- LOWER BRULE in Aberdeen area -

Given Data

- 2,020 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 41% = % Expenditures on purchased services, 59% = % expenditures in-house
- 91.9% = Cost index for purchasing health care in this geographic area
- 125.7% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- $1,116 per person for purchased services = 41% * 91.9% * $2,980
- $2,218 per person for in-house services = 59% * 125.7% * $2,980
- $3,334 per person total = $1,116 (purchase) + $2,218 (in-house)
- **$3,625 per person total** adjusted for health status = $3,334 * 108.7%
- **$2,880 per person net cost** = $3,625 - $745 Other resources (M&M&PI)

Existing Expenditures (for 2,020 users excluding wrap-around and collections)

- $1,247 per person = local IHS allowance (excludes $ for wrap-around)
- $203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,504 per person for OU users** = $1,247 + $203 + $54

LNF Calculation

- **41.5% Gross LNF** = $1,504 (expenditures) / $3,625 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **52.2% Net LNF** = $1,504 / $2,880 net cost ($3,625 - $745 other)

IHCIF Allocation

- $452,821 = $ to raise LNF% from 52.2% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$15,794 Allocation** = $452,821 needed for 60% * 3.488% IHCIF fraction

LOWER BRULE Unmet Needs

- **$5,817,870 Net Total Need** = 2,020 users * $2,880 net cost
- **$2,779,969 Net Unmet Need** = (100% - 52.2% LNF) * 2,020 users * $2,880 net cost